

RILEY & ASSOCIATES, INC.
RESEARCH FOR MARKETING, PUBLIC RELATIONS AND PLANNING

April 14, 1995

**TO: Larry Hall
OREGON INDEPENDENT TELEPHONE ASSOCIATION**

**FROM: Michael J. Riley
RILEY RESEARCH ASSOCIATES**

RE: RESIDENTIAL AREA CODE SURVEY

JUN 1 1995

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EXECUTIVE OVERVIEW

- State-wide, only about two of five residential customers are aware of the proposed area code change
- Most Oregonian households (78%) have no concerns or questions about the proposed "split" plan
- In stark contrast to the "split" option, nearly four out of five expressed concerns or questions about the "overlay" plan
- A clear majority (83%) support the "split" plan over the "overlay" which is supported only by one of ten residential customers
- Four of five agree with the idea of dividing the state with Portland, Salem and Northwest Oregon into one area with the remainder of the state in another
- State-wide, seven of ten agree the Northwest portion of the state should keep the 503 area code, but significant regional disparity exists: strong supports comes from both the Portland and North Coastal areas, but barely half of the Eugene and Eastern areas agree
- Taking Oregon's North Coast as a whole, the largest share (39%) would prefer to share an area code with Portland and Salem, while 33% like the idea of being associated with Newport, Corvallis and the South Coast. From Tillamook north, 50% favor the Portland area. South of Tillamook, a slightly larger percentage favor Newport and the South Coast (36%), while 25% favor Portland and 29% would be satisfied either way
- Television news is a news source for two-thirds of residential customers. Local newspapers and *The Oregonian* each provide news information to about one-third
- About two-thirds of respondents are interested in receiving more information, specifically in the form of a brochure to include the pros and cons. Key questions include: "How will it impact me?" "When will the changes occur?" "What costs are involved (basic rates, long distance service and the cellular phone change-over)?"

INTRODUCTION

Riley Research was hired to conduct a survey of Oregon's residential telephone customers. The objective of the study was to gauge residential telephone consumers' awareness, opinions, preferences and concerns regarding the upcoming area code change. Specific information goals included measuring consumers':

- Responses to the proposed "split" plan and related changes
- Responses to the "overlay" plan and related changes
- Reactions to arguments for each option
- Preferred communications sources and methods
- Demographic differences

A concurrent series of focus groups was conducted among business customers in five cities throughout the state. The results of that research are bound separately.

METHODOLOGY

Interviews were conducted among residential telephone customers statewide. A stratified random digit dialing technique was used. The sample was divided into four geographic areas by telephone prefix. In the report, these areas are referred to under the following names:

- **Portland** consists of the Portland, Salem and Northwest portions of the current Portland LATA.
- **Eugene** consists of the entire Eugene LATA.
- **North Coastal** refers to coastal residents from Astoria to Depot Bay.
- **Eastern** consists of the portion of the Portland LATA east of the Cascade mountain range.

Weighting

Quotas were utilized to provide reliable representation and analysis within each region. For the state-wide analysis, the sample was then weighted to reflect the proportional population for each region. The Portland State University Center for Population Research 1994 population estimates are the basis for proportional weighting.

Dialing Results and Sample Reliability

A total of 415 interviews were conducted between March 16 and 24, 1995, between 5 and 9 p.m., from Riley Research Associate's Portland fielding office. Among contacts there was a greater than 50% completion rate.

The overall results are considered reliable to within $\pm 5\%$ at a 95% level of confidence. Each regional sub-section can be considered roughly reliable to within $\pm 10\%$ at a 95% level of confidence. The total number of interviews completed in each region follow: 110 in Portland, 79 in North Coastal Oregon, 113 in Eugene and 113 in Eastern Oregon. An additional 16 coastal interviews were completed to clarify the Q13 results; other information garnered in those interviews was not incorporated in the results to other questions.

Sample Characteristics

As is typical in telephone surveys, there is a slightly greater proportion of women than men.

Reporting

State-wide survey results are presented in a question-by-question format. Along with overall results, significant findings among demographic sub-segments are highlighted. A copy of the questionnaire follows the report and cross-tabulation tables are bound separately.

AWARENESS

Q1. Recent growth has made it necessary to plan for a second area code. Two potential solutions are being considered. Under both plans everyone would keep their seven digit telephone number, only the 503 portion of the telephone number might be affected. Have you heard anything about this issue?

State-wide, only about two of five residential customers are aware of the proposed area code change. Various demographic factors were associated with higher or lower levels of awareness.

In general, awareness increases with age and educational level. Those with at least some college experience are much more aware of the change than those completing only high school or less.

People working outside the home who make telecommunications decisions for their employers demonstrated higher levels of awareness, as did the self-employed, retirees and homemakers.

Relative newcomers were less aware, as only 22% of those who have had their current phone number for one year or less were aware of the proposal, compared with 54% of those who have had their number ten years or more.

	<u>TOTAL</u>
Total Participants	415
Yes	42%
No	58

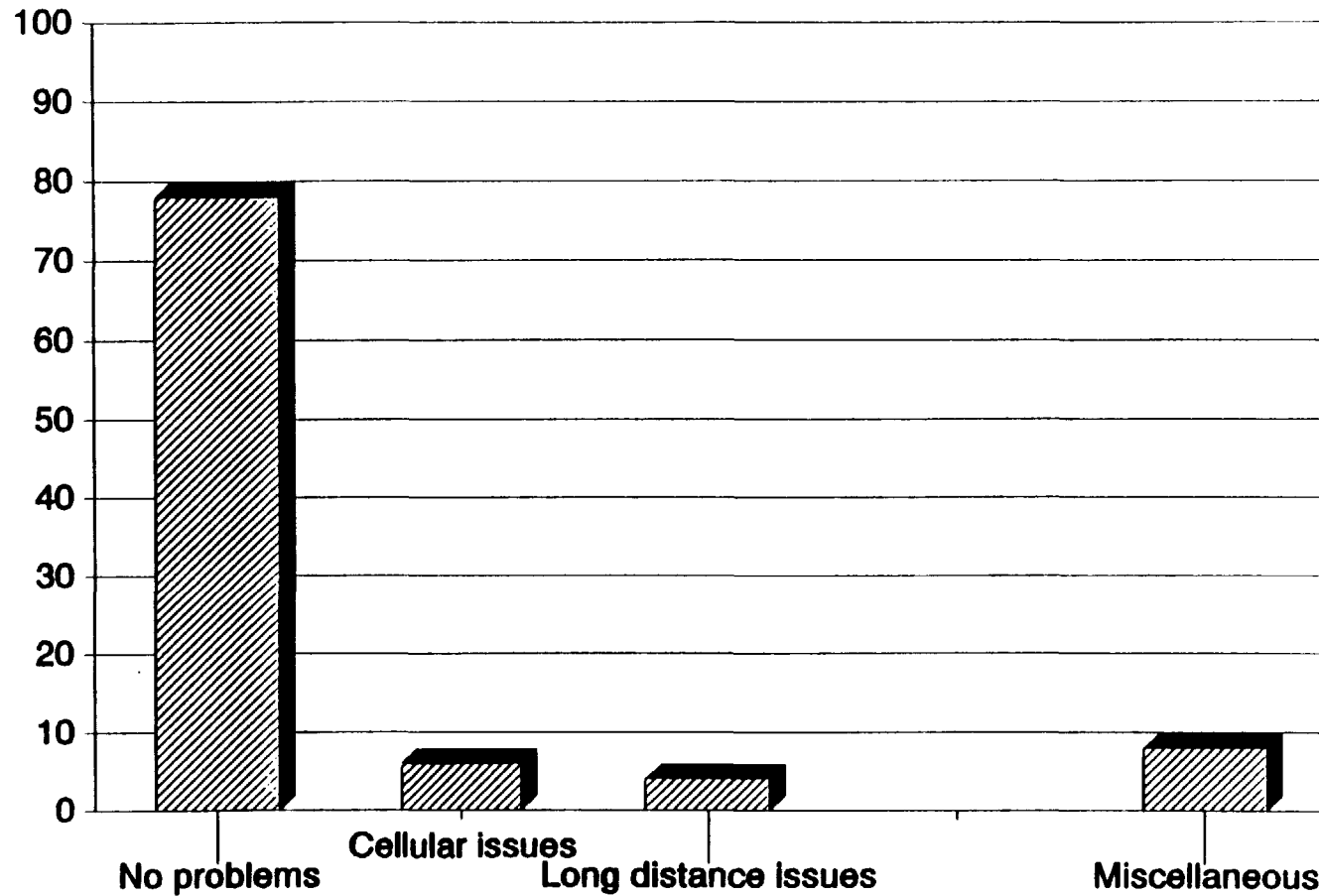
Q2. One plan, called a "split," would divide the state into two geographic areas. One section would keep the 503 area code and the other would begin using a new area code. Under this plan all cellular phones in the new area code would need to be reprogrammed. What potential problems, questions or concerns do you have about this plan?

Most Oregonian households (nearly four of five residential customers) have no concerns or questions about the proposed "split" plan.

Those who did have concerns mentioned a wide range of issues, the most common of which was with the cellular reprogramming issue. Questions arose concerning potential costs accompanying the change such as local or long distance rate increases or changes in service.

	<u>TOTAL</u>
Total Participants	415
None/no problem	78%
Cellular reprogramming costs	4
Cellular inconvenience	3
General cost issues	3
Impact on local and long distance rates	2
Long distance service issues	2
Impact on business	1
Miscellaneous	8
Don't know	2

Residential Customer Concerns About "Split" Plan (Multiple Response)



Q3. With the second option, known as an "overlay," all current customers would get to keep their 503 code and their current phone numbers, but as new prefixes are assigned, each new number would have the new area code. Because both area codes would be used throughout the state, everyone would have to dial all 10 digits, even when making local calls. What potential problems, questions or concerns do you have about this plan?

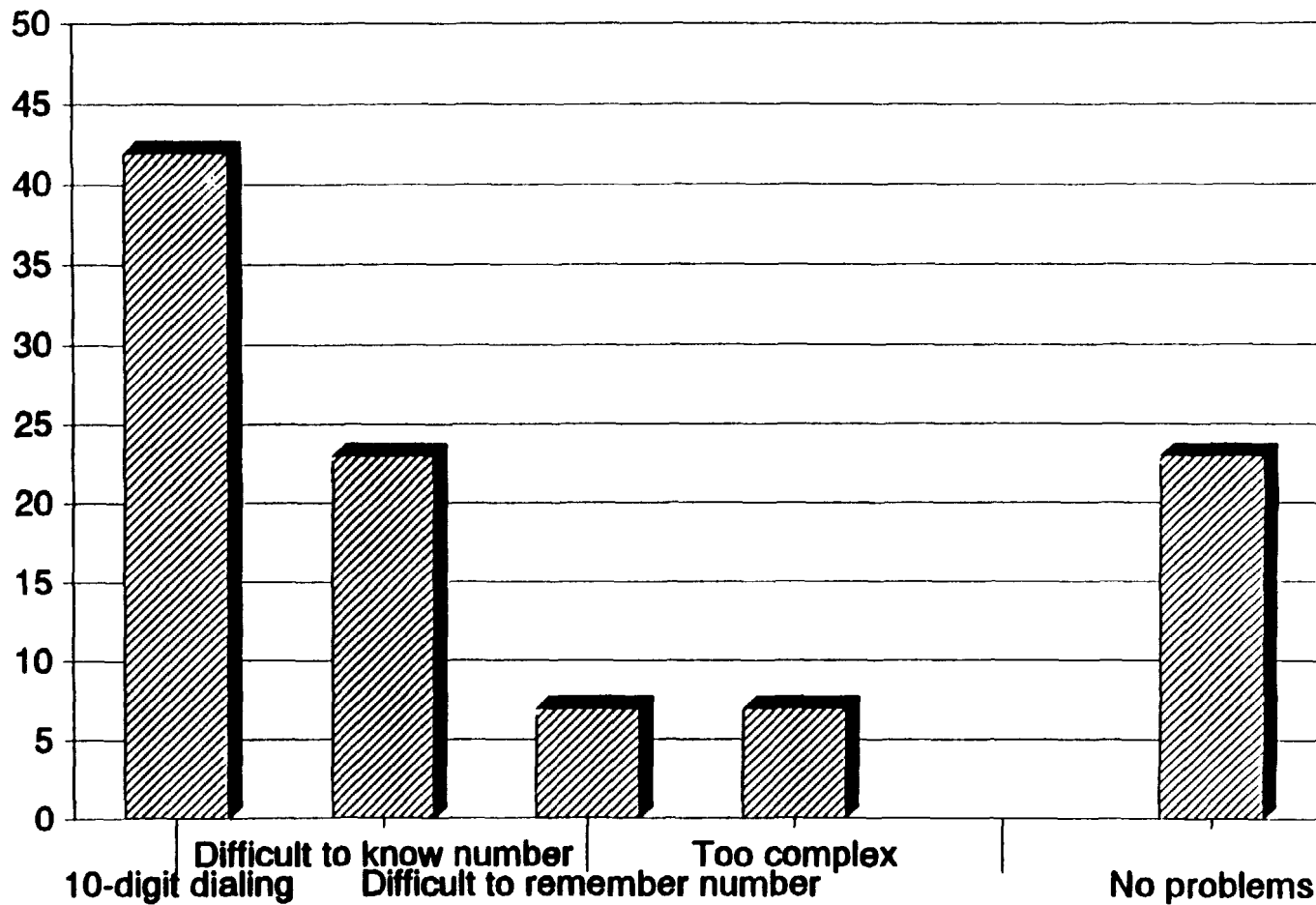
In stark contrast to the "split" option, nearly four out of five expressed concerns or questions about the "overlay" plan. The biggest issue among consumers (mentioned by 42%), is regarding the inconvenience of having to dial ten digits for local calls.

Nearly one-quarter expressed concerned about losing geographically-defined area codes, which could leave them unable to determine which code to use. A corollary concern, mentioned by a handful of respondents, is about reimbursement for numbers misdialed using the incorrect area code. Significant numbers of customers also say that the "overlay" would be too complex or confusing and that it would be too difficult to remember all ten digits.

White collar workers, professionals, homeowners and new-comers were especially concerned with the difficulty of knowing which code to use in what situation.

	<u>TOTAL</u>
Total Participants	415
Time consuming and hassle to dial 10 numbers	42%
No concerns	23
Difficult to know number/ Prefer geographic division	23
Too difficult to remember all 10 digits	7
Too complex or confusing	7
Impact on business	2
Miscellaneous	7
Don't know	2
Riley Research Associates	6

Residential Customer Concerns About "Overlay" Plan (Multiple Response)



ARGUMENTS

Q4. Please tell me if you agree strongly, agree somewhat, disagree somewhat or disagree strongly: Of the two plans, the one that affects the fewest people should be adopted.

Two-thirds agree the plan that affects the fewest people should be adopted. This concept had the greatest appeal with the retired, homemakers and the combined category of students, the disabled and unemployed.

About one in five disagree. Those most likely to oppose this argument include: about one-third of professionals, white collar workers, graduate degree holders and self-employed individuals.

	<u>TOTAL</u>
Total Participants	411
Agree strongly	40%
Agree somewhat	26
(Neutral)	8
Disagree somewhat	12
Disagree strongly	7
Don't know	7

Q5. Please tell me if you agree strongly, agree somewhat, disagree somewhat or disagree strongly: The "split" plan is better because all local calls could continue to be made by dialing just seven digits.

Nine of ten agree with this argument. The more senior customers are not quite as adamant as younger ones, as the percent who "agree strongly" declines from a high of 86% among 18 to 24 year olds, to a low of 70% among those 65 and over.

	<u>TOTAL</u>
Total Participants	413
Agree strongly	78%
Agree somewhat	13
(Neutral)	1
Disagree somewhat	4
Disagree strongly	2
Don't know	2

Q6. Please tell me if you agree strongly, agree somewhat, disagree somewhat or disagree strongly: The "overlay" plan is better because all current customers could keep the 503 area code.

Just under two of five agree with this "overlay" argument. Retirees expressed above-average agreement (29% agree strongly) and the self-employed are the least supportive (only 16% agree, while 72% disagree).

People with *no previous awareness* of this issue are slightly more likely to agree, compared to those who were already aware when we called (42% v. 31%).

	TOTAL

Total Participants	412
Agree strongly	18%
Agree somewhat	20
(Neutral)	3
Disagree somewhat	24
Disagree strongly	33
Don't know	3

Q7. Please tell me if you agree strongly, agree somewhat, disagree somewhat or disagree strongly: The "split" plan is better because it ensures all local phone numbers will have the same area code.

Nearly nine of ten agree with this argument. Those with some prior knowledge of the issue are more likely to agree "strongly," compared to those with no previous knowledge (73% v. 58%).

	TOTAL

Total Participants	414
Agree strongly	65%
Agree somewhat	24
(Neutral)	2
Disagree somewhat	6
Disagree strongly	2
Don't know	1

Q8. Please tell me if you agree strongly, agree somewhat, disagree somewhat or disagree strongly: The "overlay" is better because cellular phone users won't need to have their equipment re-programmed.

Only three of ten support this argument. Two groups show above average enthusiasm for this rationale, those with more than one residential line (40%) and those who have had their number only one year or less (40%). Ironically, those with cellular telephone service were not significantly more likely to agree.

	<u>TOTAL</u>
Total Participants	414
Agree strongly	13%
Agree somewhat	17
(Neutral)	18
Disagree somewhat	19
Disagree strongly	23
Don't know	9

Q9. Considering what I've told you about the two proposed plans, which plan do you prefer, the "split" plan which divides the state into two area codes or the "overlay" plan where the two codes are intermixed throughout Oregon?

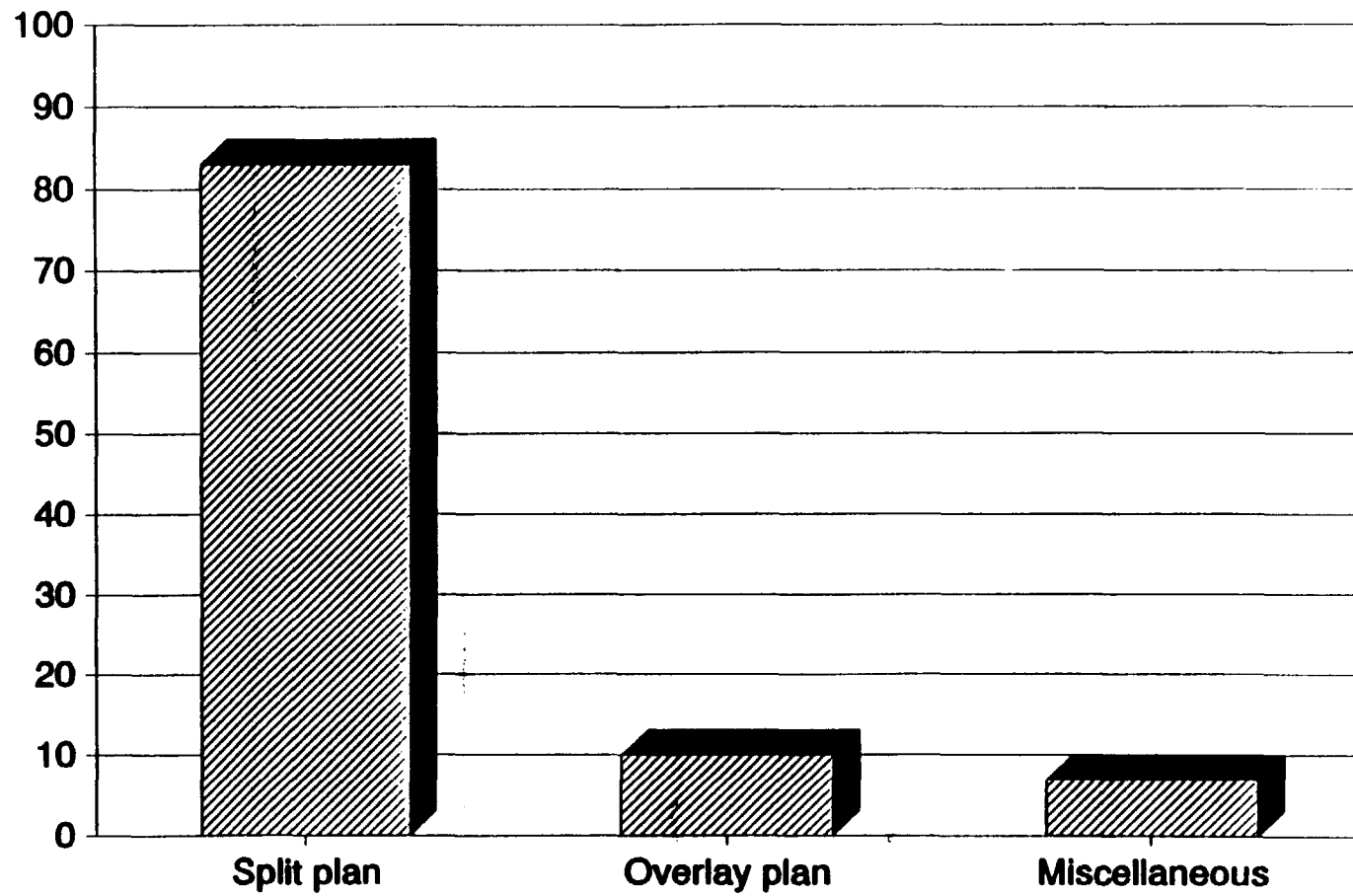
A clear majority (83%) support the "split" plan over the "overlay". The "overlay" option garners the support of only ten percent of residential telephone customers.

The "split" plan's greatest supporters include professionals, self-employed, blue, grey and white collar workers. People who have had their telephone numbers less than five years are also especially supportive of the "split".

The "overlay's" biggest supporters are among the student/unemployed/disabled group (24%), retirees (14%) and those who have had the same phone number for the past five to nine years (21%).

	<u>TOTAL</u>
Total Participants	414
Prefer "split"	83%
Prefer "overlay"	10
Don't know	3
Neither plan	2
Need more information	1

Area Code Plan Preference



Q10. Now, regardless of which plan you prefer, I'd like to ask about one proposed "split"-type plan. It would place Portland, Salem and Northwest Oregon into one area and the rest of the state into the other. To what extent do you agree with this idea, do you agree strongly, agree somewhat, disagree somewhat or disagree strongly?

Four of five agree with the idea of dividing the state with Portland, Salem and Northwest Oregon into one area with the rest of the state in another.

People who make telecommunications decisions for their employers support this "split" feature even more strongly than others (60% agree strongly).

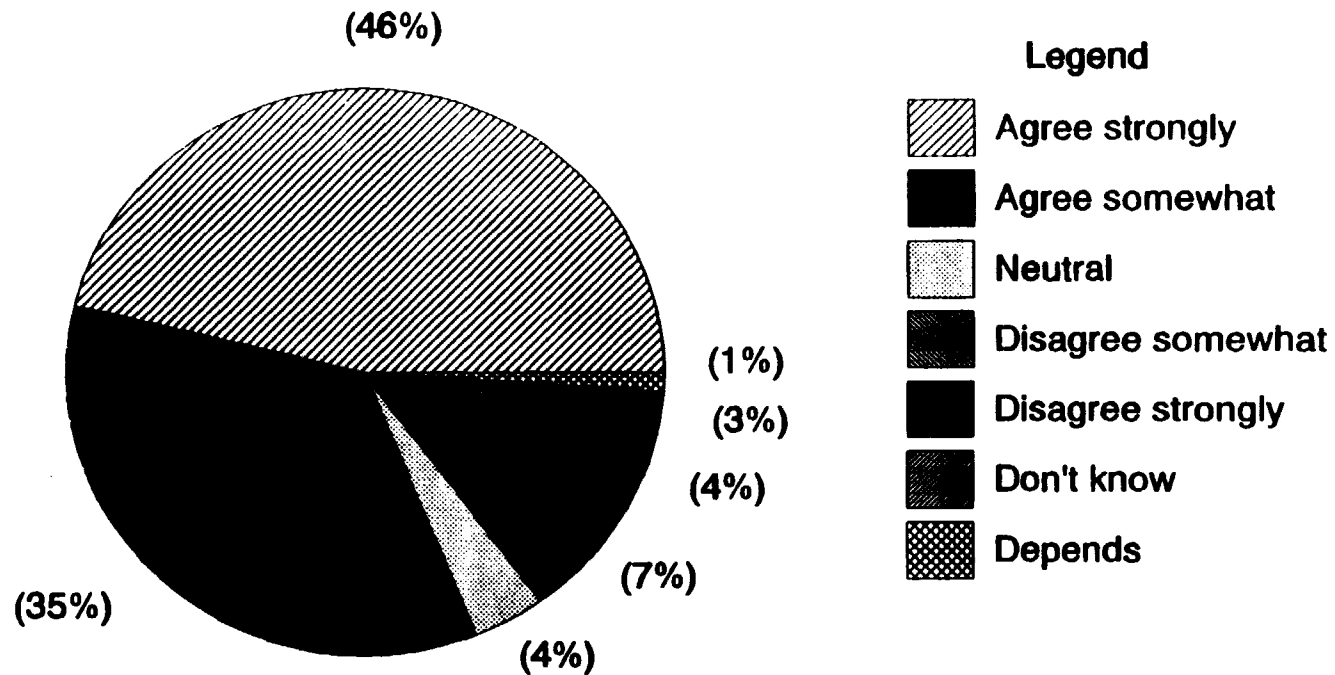
	TOTAL
	<hr/>
Total Participants	414
Agree strongly	46%
Agree somewhat	35
(Neutral)	4
Disagree somewhat	7
Disagree strongly	4
Don't know	3
Depends	1

**Q11. (IF DISAGREE) What would be a better way to divide the state and why?
(Response Tally)**

#	Responses¹
17	Don't know/No answer
4	Divide state - East/West Use Cascades to divide state; West stays 503 East/West along the I-5 corridor Divide the state down the middle; the southwest corner is growing fast and shouldn't be placed with Eastern Oregon Would prefer straight "split", either North/South or East/West Divide the State North/South to include the Eastern side "split" evenly; not 1/4 & 3/4 Easier to "split" in half, not a chunk in the center Seems uneven, "split" it more evenly "split" it in half Would prefer all coast as one area code Assign new area codes to the people with the cell phones/extra lines Big cities in one and small cities in the other Take area north of Tigard as one area code I don't think we should, Oregon is not that big Do away with dialing an area code Don't want to divide state

¹ The frequency of the response is shown on the left; no number indicates a single response.

Agree/Disagree with Proposed Split Boundaries (Northwest Oregon/Southern, Central and Eastern Oregon)



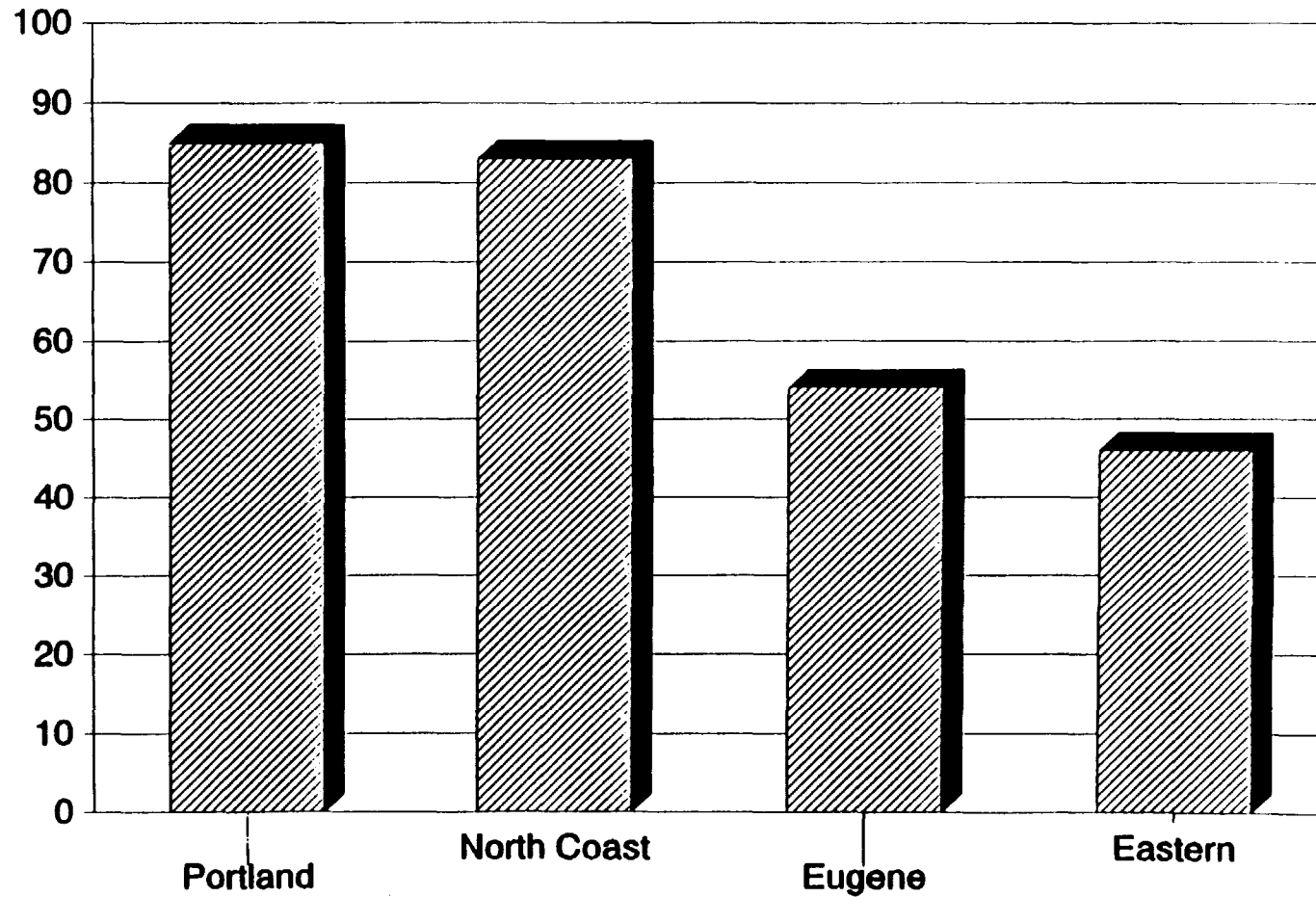
Q12. Because it would affect fewer customers, it was suggested that Portland, Salem and Northwest Oregon should keep the 503 area code, while the rest of the state would adopt the new area code. To what extent do you agree with this idea, do you agree strongly, agree somewhat, disagree somewhat or disagree strongly?

State-wide, seven of ten agree that the Northwest portion of the state should keep the 503 area code, but there is great disparity among the regions.

In the Portland and North Costal areas, 85% agree and 10% disagree with this proposed solution. In the Eugene LATA, only 54% agree with 33% in opposition. While 46% in Eastern Oregon concur 36% disagree.

	TOTAL
	<hr/>
Total Participants	414
Agree strongly	40%
Agree somewhat	30
(Neutral)	8
Disagree somewhat	7
Disagree strongly	13
Don't know	1

Agreement with Portland and NW Oregon's Retention of the 503 Area Code Regional Differences



Q13. (North Coastal Residents Only [Astoria to Depot Bay]) If a "split" plan were adopted, would you prefer to have the same area code as Portland and Salem or share an area code with Newport, Corvallis and the South Coast?

Considering Oregon's north coast as a whole, the largest share (39%) would prefer to share an area code with Portland and Salem, while 33% like the idea of being associated with Newport, Corvallis and the south coast, and 23% would be satisfied either way.

By splitting the north coast into two sub-regions, we found that the Astoria to Tillamook section appears to prefer sharing an area code with Portland and Salem, while the sub-region from Beaver (South of Tillamook) to Depot Bay shows a *slight* preference for being associated with the rest of the coast.²

	<u>TOTAL</u>	<u>ASTORIA TO TILLAMOOK</u>	<u>BEAVER TO DEPOT BAY</u>
Unweighted	94	60	34
Portland and Salem	39%	50%	25%
Newport and Coast	33%	32%	36%
Either	23%	18%	29%
Don't know	5%	0%	11%

² The small number of interviews within these sub-regions makes for a wide margin of error ($\pm 20\%$). As such, the reader should not attempt to draw precise inferences.

COMMUNICATIONS

Q15. From what source do you currently get most of your news information? (Multiple Response)

Television news is a news source for two-thirds of residential customers. Local newspapers and *The Oregonian* each provide news information to about one-third.

Portland and north coastal residents rely more on television news than Eugene and Eastern region residents who tend to rely on radio news. Oregonians most likely to get information from television news include renters and retirees, as well as blue and grey collar workers.

Several groups more often look toward newspapers rather than television for their news information. These include: college graduates, white collar workers, professionals, self-employed, cellular phone users, and employer telecommunications decision makers.

Newspaper reading appears to have an impact on initial awareness of the issue as readers of *The Oregonian* are nearly twice as likely as non-readers to have information about the issue.

	TOTAL
Total Participants	413
Television news	68%
Local paper	23
The Oregonian	23
Radio news	13
Miscellaneous	2

Q16. What additional information about this change would you find useful?

About two-thirds of respondents are interested in more information. Their major unanswered questions are "What is the impact on me?" and "When would the changes occur?"

A smaller group (13%) would like a pamphlet with all the pros and cons of each plan. Other concerns include the potential costs involved in the change, rate changes, the information on which plan will be implemented, cellular costs and better justification for the change.

While the consumers with some previous awareness of the issue are most interested in how the change will impact them and when it will occur, those with no prior information more often ask about costs and information on the pros and cons.

Informational needs vary by gender. While women are likely to request information about the pros and cons, rate changes and costs. Many men don't know what information might be useful, while others want to know the impact and timing of a change. Potential rate changes and costs are of particular interest to the self-employed.

	<u>TOTAL</u>
Total Participants	415
None	36%
Impact on consumer? (Including "split" boundaries)	18
When would changes occur?	14
Pamphlet with all the pros/cons	13
Costs and rate changes	8
Which plan will the PUC use?	4
Don't know	12
Miscellaneous	7
Riley Research Associates	18